

EXHIBIT 1

(Declaration of Jon T. Pearson)

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7 *Counsel for Defendant
Consulting by AR, LLC*
8

9 **UNITED STATES DISTRICT COURT**

10 **DISTRICT OF NEVADA**

11 Ignite Spirits, Inc., a Wyoming corporation,

Case No. 2:21-cv-01590

12 Plaintiff,

DECLARATION OF JON T. PEARSON

13 v.

14 Consulting by AR, LLC, a Florida limited
liability company; Does I through X,
15 inclusive; and Roe Business Entities I
through X, inclusive,

16 Defendants.
17

18 I, Jon T. Pearson, declare:

19 1. I am counsel for defendant Consulting by AR, LLC (“Company”). I have personal
knowledge of the matters stated herein and would be competent to testify thereon if called upon to
20 do so.

21 2. On July 30, 2021, Paul Holden, General Counsel for Ignite International Brands,
Ltd. and its wholly owned subsidiaries, including Ignite Spirits, Inc. (“Ignite”), served a letter on
22 the Company’s former counsel. In that letter, Mr. Holden made clear that Ignite would not waive
23 the confidentiality provision in the Letter Agreement.

24 3. Despite claiming that Ignite would not waive the confidentiality provision, Ignite
Spirits without first obtaining the Company’s consent brought a declaratory judgment action
25 publicly disclosing alleged terms and conditions of the Letter Agreement.

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9555 HILLWOOD DRIVE, 2ND FLOOR
LAS VEGAS, NV 89134

1 4. After reviewing Ignite Spirits' Complaint, I informed Ignite Spirits' counsel that
2 by publicly filing a Complaint and disclosing alleged terms and conditions of the Letter
3 Agreement, Ignite Spirits violated the confidentiality provision. In response, Ignite Spirits' counsel
4 simply said that "we do not believe we have violated the confidentiality provision of the Letter
5 Agreement." Accurate copies of my email and the response letter are attached as **Exhibits 1-A**
6 **and 1-B.**

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 27, 2021 in Las Vegas, Clark County, Nevada.

/s/ Jon T. Pearson
Jon T. Pearson

17302187 v1

EXHIBIT 1-A

Jon T. Pearson

From: Jon T. Pearson
Sent: Thursday, August 19, 2021 10:52 AM
To: 'Andi Hughes'; Kimberly Stein
Subject: RE: Ignite Spirits, Inc. v. Consulting by AR, LLC

Ms. Stein:

My client, Consulting by AR, LLC, has authorized me to accept service of the complaint filed by Ignite Spirits, Inc. on August 18. Please send the appropriate acceptance of service document for my review and signature.

On July 30, Ignite's General Counsel, Paul Holden, while proposing binding arbitration with no appellate rights, which was rejected by my client, emphasized the confidentiality provision set forth in section 4 of the Letter Agreement that requires the parties to "mutually agree to waive confidentiality for any particular situation or generally or as required by law." Mr. Holden made clear that "Ignite will not waive confidentiality." Based on Mr. Holden's email, and my client's commitment to honor its obligations under the Letter Agreement, my client would have sealed its complaint so that the Court can make the appropriate decision once notice was provided to the parties. Without obtaining my client's consent as required by the Letter Agreement, however, Ignite publicly filed a complaint containing allegations, which we disagree with, relating to the "terms and conditions of th[e] Letter Agreement." This is another breach by Ignite, and will be addressed by my client at the appropriate time.

Candidly, we are baffled why Ignite would breach the confidentiality clause because that and other information could be viewed negatively by other counterparties that are heavily regulated. But that is neither my or my client's concern. In any event, because Ignite let the cat out of the bag and violated the confidentiality clause, my client looks forward to trying the merits of this case in a public forum, including examining Paul Bilzerian's role in negotiating for, and speaking on behalf of a publicly traded company.

Jon Pearson

From: Andi Hughes <ah@fdlawlv.com>
Sent: Wednesday, August 18, 2021 12:52 PM
To: Jon T. Pearson <JTPearson@hollandhart.com>
Cc: Kimberly Stein <kps@fdlawlv.com>
Subject: Ignite Spirits, Inc. v. Consulting by AR, LLC

External Email

Mr. Pearson,

Please see attached correspondence of today's date from Kimberly P. Stein, Esq.

Andi Hughes
Legal Assistant to Kimberly P. Stein, Esq.

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EXHIBIT 1-B

 FLANGAS LAW GROUP

Writer's email: kps@fdlawlv.com

August 20, 2021

Via Electronic Mail: jtpearson@hollandhart.com

Jon T. Pearson, Esq.
Holland & Hart
9555 Hillwood Drive, 2nd Floor
Las Vegas, NV 89134-0532

RE: *Ignite Spirits, Inc. v. Consulting by AR, LLC*

Dear Mr. Pearson:

I am in receipt of your email sent yesterday, August 19, 2020. As I am sure you are aware, when the Nevada Rules of Civil Procedure were amended, the Court now requires waiver of service, not acceptance pursuant to NRCP 4.1. Pursuant to NRCP 4.1, I am attaching a copy of the complaint and summons as well as a waiver, for which you have 30 days from the date of this letter to return to me. If you return the signed waiver, we will file it with the Court. Pursuant to NRCP 4.1, the action will then proceed as if you have been served on the date the waiver is filed, but no summons will be served on your client, and you will have 60 days from the date of this letter to answer the complaint.

With regards to the allegations in your letter, we do not believe we have violated the confidentiality provision of the Letter Agreement.

Sincerely,

FLANGAS LAW GROUP

/s/ *Kimberly P. Stein*

Kimberly P. Stein

KPS:ah

Attachments

cc: Client